

THE JACOBS REPORT

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REPORT ANALYZES TEACHER BENEFITS

A recently released report prepared for the Legislative Council says that the state could save as much as \$281 million (\$165 a pupil) if it were to adopt a centralized system for purchasing and providing health insurance for teachers.

Democrats and teacher organization officials have expressed caution that the report might be an attempt to diminish the Michigan Education Special Services Administration (MESSA).

Senate Republican Leader Ken Sikkema (R-Wyoming) and Senator Shirley Johnson (R-Troy), Chair of Senate Appropriations, praised the findings of the report, firmly asserting during a press conference that the effort is not aimed at MESSA.

“MESSA is not the issue, it isn’t for me,” Sen. Sikkema said. “The issue is how do you provide top quality benefits to school employees.”

Senators Sikkema and Johnson praised the findings of the report that said a statewide pool of health insurance benefits for teachers would save anywhere from \$146 million to \$281 million for the state and local school districts, while potentially improving benefits for as many as 90 percent of the state’s public school teachers. It is widely acknowledged that the cost of health benefits is putting pressure on local school budgets.

Senate Democratic Leader Bob Emerson (D-Flint) said that the pooling process should be explored only if it can save money without harming negotiated benefits. Sen. Emerson expressed doubt that such a proposal could work without cutting benefits, given the experience in some other states.

Sen. Emerson also complained that members of his staff were kept out of the Sikkema/Johnson press conference. To find out what was said, he had to call a reporter who covered the function.

Republicans have scheduled public hearings on the report. The first hearing is scheduled for 1 p.m. Wednesday, July 20, in the Senate Hearing Room in the Boji Tower in downtown Lansing, and at that session officials from Virginia-based Hay Group will outline their findings.

Sen. Johnson said she wanted at least three hearings on the plan before lawmakers begin to consider what action to take on the proposal.

HOUSE COMMITTEES REPORT TAX, SECURITIZATION BILLS

This week, House committees moved proposals to overhaul business taxes and sell the state's annual tobacco settlement payments for an immediate, lump-sum payment. A final floor vote has been delayed as negotiations on both issues continue.

Governor Jennifer Granholm and House Republicans have competing proposals on how to change the Single Business Tax. The governor and House members from both parties are also negotiating bills designed to diversify the state's economy through an initiative that would be funded by selling three-quarters of the tobacco settlement payments.

House Republicans had originally scheduled Wednesday for the vote on the Single Business Tax package, along with the economic diversification and securitization bills. House Speaker Craig DeRoche (R-Novi) decided to wait, however, while negotiations continue in response to requests from Gov. Granholm and House Democrats.

"We are working together," Mr. DeRoche told reporters. "I would like to have this done sooner rather than later. We have been passing the plans out (of committee) with the input, and in many cases support, of Democratic members, and I would like to continue to do that, so long as the delays don't further jeopardize the economic situation in Michigan."

The Speaker said it "is not an absolute" that the full House would vote next week.

House Minority Leader Dianne Byrum (D-Onondaga) said that it would have been a mistake to pass the bills out of the House before negotiations produce a final product.

Rep. Paul Condino (D-Southfield), the lead Democrat on the tax issue, said the two parties are making progress on the major sticking point of finding replacement revenue to pay for cutting business taxes. House Republicans have said they would propose eliminating \$100 million in tax exemptions, but have not yet said which ones.

Rep. Condino said voting Wednesday while negotiations were ongoing "would have been hostile" given that Republicans had pledged to look at tax exemptions.

MICHIGAN WINS EDUCATION GRANT

Funding Supports Granholm Push for More Grads

Governor Jennifer M. Granholm today announced that Michigan is one of 10 states to win grant funding from the National Governors Association (NGA) to support major reform of the state's high schools. This two-year grant will be used to begin putting new rigorous academic standards in place in all Michigan high schools and to increase the number of students taking college level courses during their high school years.

“It is vital that Michigan have an educated workforce in order to be competitive in a 21st century economy” said Granholm. “This grant will help us make sure every child in Michigan attends a high school that prepares them for success in college and in life.”

Granholm said the grant funding will be used to assist the Michigan Department of Education develop high school standards in language arts, mathematics, science, and social studies; help schools provide support, such as professional development, to prepare students to engage in more rigorous training in school; and revise policies on dual enrollment and advanced placement to remove barriers and provide better opportunities for students to participate in these programs during high school.

The grant will help achieve the Governor’s goal of doubling the number of college graduates in Michigan within 10 years. The goal is directly linked to two critical recommendations of the Cherry Commission on Higher Education and Economic Growth: the creation of higher standards for academic achievement that will prepare all students for education beyond high school; and doubling the percentage of Michigan high school students taking advanced placement courses or dual-enrolling in a college or university as part of their high school experience.

“The days when a high school diploma was a ticket to a good paying job are over,” said Granholm. “Our young people must see graduating from high school not as the end but the beginning of education and training that will lead to good paying jobs.”

The NGA grants, funded by the Bill and Melinda Gates Foundation, were awarded to states that have comprehensive plans for improved high school performance. Tom Vander Ark, the Foundation’s executive director, called the high school reform effort “a moral imperative” and praised the leaders of the 10 awardee states. Michigan applied for a \$1.8 million grant.

“Thanks to the strong leadership and commitment by the governors in the 10 honor states and others, we are moving forward with momentum toward building an American high school system that will prepare every student for college, work, and citizenship,” said Mr. Vander Ark.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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